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**IN THE UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

IN RE:	§	Chapter 11
	§	
Green 126 LP, <i>et al.</i> ,	§	Case No. 08-36470
	§	
Debtors	§	<b>(Jointly Administered)</b>

**NOTICE OF PERFECTION OF INTEREST IN  
CASH COLLATERAL PURSUANT TO 11 U.S.C. § 546(b)**

LMREC CDO II REO I, Inc., (“Legg Mason”), is a secured creditor of Greens 126 LP, Oaks 198 LP and Trails 240 LP (collectively, the “Debtors”), Debtors in the above-referenced jointly administered cases (the “Bankruptcy Cases”). Pursuant to the Deed of Trust, Security Agreement and Financing Statement (the “Deed of Trust”), dated as of January 25, 2007, and the Assignment of Lease and Rents, dated January 25, 2007 (the “Assignment of Rents”), Legg Mason asserts that Debtors conveyed an absolute assignment of rents to Legg Mason in connection with the real property commonly referred to as 5300 West Gulf Bank, Houston, TX 77088, 5350 West Gulf Bank, Houston, TX 77088 and 5454 West Gulf Bank, Houston, TX 77088 (collectively, the “Property”) Both the Deed of Trust and the Assignment of Rents were recorded on

February 6, 2007, with the County Clerk of Harris County, Texas, respective Document Nos. 20070075436 and 20070075437.

However, out of an abundance of caution, should the Court construe the Assignment of Rents as a collateral assignment of rents rather than an absolute assignment of rents, Legg Mason hereby gives notice pursuant to 11 U.S.C. § 546(b) of the perfection of its security interest and lien on the Debtors' interest in all rents, revenues, income, issues and profits (collectively, the "Rents") derived from the Property.

Legg Mason further gives notice that in the event that the Court construes Debtors' Assignment of Rents to Legg Mason as a collateral assignment of rents rather than an absolute assignment of rents, it claims a perfected security interest in the Rents of the Property pursuant to the Deed of Trust and Assignment of Rents, and that such Rents are "cash collateral" within the meaning of 11 U.S.C. § 363(a).

Legg Mason further gives notice to the Debtors that Legg Mason has *not* consented to any use by the Debtors of Legg Mason's cash collateral. Section § 363(c)(2) of the Bankruptcy Code prohibits the use of cash collateral except on the terms set forth by the statute, and the Debtors must segregate and account for any cash collateral in the Debtors' possession, custody, or control, pursuant to 11 U.S.C. § 363(c)(4).

This notice is given pursuant to the exception of the automatic stay set forth in 11 U.S.C. § 362(b)(3). Legg Mason reserves the right to seek and obtain further relief in this case, including, *inter alia*, the modification or termination of the automatic stay under 11 U.S.C. § 362.

This notice does not constitute a waiver of any rights or remedies of Legg Mason under the Bankruptcy Code, the Deed of Trust, the Assignment of Rents or any other corresponding loan documents, and applicable non-bankruptcy law, and Legg Mason maintains at this time that the Assignment of Rents is an absolute assignment of rents and the Rents therefore do not constitute property of the estate. This notice is filed out of an abundance of caution and is in addition to and not in derogation of Legg Mason's perfection of its interest in the Property under applicable non-bankruptcy law.

Respectfully submitted on this 14th day of October 2008.

**STUTZMAN, BROMBERG,  
ESSERMAN & PLIFKA,**  
A Professional Corporation

By: /s/ Briana L. Cioni

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**Counsel for LMREC CDO II REO I, Inc.**

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing document was served upon all persons listed below via ECF and/or first class mail, postage prepaid on the 14th day of October 2008.

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/s/ Briana L. Cioni  
Briana L. Cioni